

AGREEMENT ON U.S. - CHINA AGRICULTURAL COOPERATION

China and the United States are the world's two largest agricultural producers. Over the next several years, all nations will face important challenges as they work to ensure sufficient affordable food and fiber are made available to the world's people in an environmentally sustainable manner. It will be important that China and the United States work cooperatively to ensure these challenges are met successfully.

In that spirit, China and the United States are determined to build on our long history of cooperation in agriculture on the basis of equal and mutual benefit. Agriculture should be one of the bright points in our bilateral relationship - China and the United States must work together to make it a pillar of strength in the 21st century. With this agreement, China and the United States launch a partnership in agriculture for the 21st century with three objectives: increased technical cooperation and scientific exchange, specific technological exchanges to develop the agricultural sectors of both countries, and the resolution of trade disputes.

I. Technical Cooperation and Exchange

China and the United States agree to actively promote comprehensive cooperation in agriculture in the field of high-technology and encourage research institutes and agricultural enterprises to collaborate in high-tech research and development. China and the United States agree that enterprises should be urged to make investment in each country to produce and do business in high-tech agricultural products.

The United States will review its technical assistance programs in China to consider ways to increase the efficacy of these programs. China will examine existing restrictions on investment and business development in China with a view toward facilitating investment and development in China's agricultural economy by enterprises and non-governmental organizations.

The United States will create special educational symposiums specific to China's needs in cooperation with U.S. land grant universities for Chinese officials and producers. The United States will provide opportunities for young Chinese leaders to visit U.S. farms, ranches and universities to study management systems and production technologies. The United States will arrange opportunities for Chinese officials and business leaders to study U.S. marketing and distribution of agricultural products in China and the United States.

II. Specific Technical Cooperation and Assistance Initiatives

As a means to implement the principle of technological cooperation and exchange, China and the United States will implement specific projects from the list below:

Field and Horticultural Products

- Provision of U.S. technical expertise in plant protection, production and distribution of farm products to assist China in its efforts to improve efficiency in agricultural systems.
- Joint research on and the exchange of crop varieties and genetic resources, such as:
 - exchanging genetic resources of farm crops (for example, appropriate high quality, cold-tolerant, salinity tolerant, and disease- and pest-resistant varieties of wheat, corn, cotton and fruits),
 - conducting joint research, development and utilization of genetic resources of farm crops, and
 - conducting joint research on conventional seed breeding.
- Joint research projects on plant protection, such as:
 - biotechnology applications for disease and pest control,
 - research on disease and pest forecasting,
 - research on integrated control approaches for diseases and pests,
 - research on pesticide application technologies, and
 - research on chemical herbicides.
- Technical collaboration on post-harvest storage and transportation techniques.
- Technological exchanges and cooperation on precision agriculture.

Biotechnology

- The United States will arrange visits by Chinese regulators and scientists to U.S. biotech regulatory agencies in Washington, followed by visits with private companies
- The United States will arrange study tours of the U.S. seed industry that include meetings with U.S. government and international agencies involved with biotech seed.
- China and the United States will undertake a joint project, staffed by both Chinese and U.S. scientists, on drought-resistant, salinity-tolerant, and cold-resistant crops.
- China and the United States will hold a joint seminar on the commercialization of biotech projects.
- Cooperative research on transgenic plant technology, including research on target genes of major crops, genetic engineering, genetic breeding, and development and utilization of transgenic crops.
- Development and scientific utilization of feed resources and use of biotechnology to improve feed quality, feed conversion rates, and development of new feed resources.

Meat, Poultry, and Livestock

- The U.S. livestock industry will provide free registration and enrollment for select Chinese officials and producers in Cattlemen's College classes during NCBA Conventions or Summer Conferences.
- The U.S. livestock industry will provide free registration and enrollment for select Chinese officials and producers at the World Pork Symposium to study the latest technology in the pork industry.
- Strengthening cooperation in conservation of genetic resources for livestock, poultry, and forage grass.
- Strengthening cooperation in selection and utilization of new breeds and varieties.
- Technical assistance on quick testing, monitoring, and management of major animal diseases.
- Collaborative research on testing technology for safety and quality of animal feed.
- Technical assistance on environmentally sound production practices and waste disposal techniques.

Aquaculture

- Collaborative research and technological exchange in aquaculture to improve efficiency and minimize adverse environmental impacts.
- Exchange of genetic resources for aquatic products.

Natural Resource and Environment

- The United States will provide technical assistance in water conservation and management for China to further its work in identifying and conserving key water resources.
- China and the United States will consider undertaking joint research projects on natural disaster and environmental issues. Research projects may include the following:
 - development of measures to reduce the negative impacts of natural disasters on agriculture;
 - technological improvements to monitor and evaluate natural disasters;
 - studies on the impacts of climatic changes on the agricultural eco-system; and
 - development of measures to control greenhouse gas emissions in agriculture.

III. Resolution of Trade Disputes

China and the United States agree to accelerate the removal of all non-tariff measures restricting trade in agricultural products that cannot be justified under WTO rules. In particular, China and the United States agree that sanitary and phytosanitary disputes should be settled scientifically so as to promote the rational two-way trade of farm products.

Citrus

China and the United States have agreed to protocols and work plans (Addendum A), in accordance with the standards and principles of internationally accepted pest risk assessment (PRA), and will permit the import of U.S. citrus to China. The United States shall ensure that U.S. citrus exported to China shall not cause harm to China's agricultural production and agrees to undertake additional science-based trapping to satisfy China's concerns.

The U.S. will continue to expedite import approval of Chinese horticultural products such as pears, longans, and penjing upon receipt of required data and documentation. In order to facilitate such a process, both sides will hold regular consultations and provide requested information as quickly as possible.

Meat

China and the United States have agreed that both sides should ensure the health and safety of U.S. exports of meat to China. In recognition of the situation that the U.S. possesses a sound system of epidemiological disease control and a program for chemical residue control, China will accept meat from all USDA Food Safety Inspection Service (FSIS) approved plants. China maintains the right to audit the U.S. inspection system through random inspection of establishments and random inspection of U.S. product at the Chinese point of entry.

Should China determine, based on scientific inspection, that a particular shipment is not wholesome, then China can refuse to accept shipments from the originating plant until the underlying problem is resolved. China shall promptly notify FSIS of such action.

China accepts the USDA/FSIS "Meat and Poultry Export Certificate of Wholesomeness" (Addendum B) as proof that FSIS certified meat and poultry complies with the U.S. inspection standards, and therefore any meat accompanied by the certificate is eligible for import into China.

Wheat

China and the United States have agreed that both sides should ensure that the U.S. wheat exported to China shall pose no risk to Chinese wheat production. Based on this understanding, China has agreed to permit import of all types of wheat from all regions of the United States.

Taking note of the conclusions of the report entitled "Risk Assessment for the Importation of U.S. Milling Wheat Containing Teliospores of *Tilletia controversa* Kuhn (TCK) into the People's Republic of China," China and the United States have agreed to initiate immediately a joint project to reach a bilateral agreement on the tolerance level of TCK in wheat exports to China, and to study the sampling and testing procedures proposed by the United States in Addendum C. In the absence of reaching a bilateral agreement on the tolerance level one year after the initiation of the project, the tolerance level and other provisions applied during the

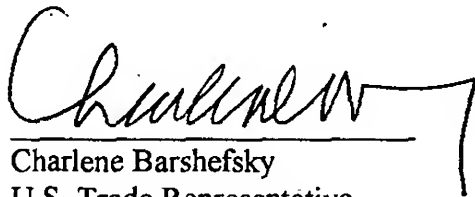
interim period shall continue to be applied. In this regard, the United States agrees to provide necessary support, including training of personnel, to facilitate reaching such an agreement.

In the interim period, which commences upon signature of this Agreement on U.S.-China Agricultural Cooperation, the United States agrees that an accredited U.S. laboratory will certify according to the procedures in Addendum C, and China agrees to accept, shipments of U.S. wheat that do not exceed a tolerance level of 30,000 TCK spores per 50 gram sample.

Both China and the United States agree that no special measures, including those affecting expeditious discharge and changes in destination, will be taken with regard to U.S. wheat at or below this tolerance level. All ports in China will be eligible to import U.S. wheat that is at or below the tolerance for TCK. They also agree that currently there are no other outstanding phytosanitary issues that would inhibit China's imports of U.S. wheat. Equivalent tolerance levels will also be applied to other U.S. grains in case of possible TCK contamination.

Both sides recognize that, as a standard part of commercial contracts for Chinese purchases of U.S. wheat, certification of contract terms are final at loading and U.S. officials and/or the seller's representative may sample and test shipments upon arrival if problems arise. Parties to the contract shall mutually settle any claims.

This agreement, written in both English and Chinese, was signed on April 10, 1999 in Washington, D.C. Both the English and Chinese versions have equal force.



Charlene Barshefsky
U.S. Trade Representative
On Behalf of the Government of
The United States



Shi Guangsheng
Minister of
Foreign Trade and
Economic Cooperation
On Behalf of the Government of the
People's Republic of China

Date: April 10, 1999

Date: 1999年4月10日

Protocol for Phytosanitary Requirements for the Export of Citrus
from the State of Arizona, United States of America
to the People's Republic of China

In order to safely export fresh citrus fruit from the State of Arizona, United States of America to the People's Republic of China (China), the Chinese Delegation, with representatives of the Ministry of Foreign Trade & Economic Cooperation and the State Administration for Entry-Exit Inspection and Quarantine (SAIQ) of the People's Republic of China and the United States Delegation, with representatives from the Office of the United States Trade Representative and the U.S. Department of Agriculture, exchanged views and reached consensus as follows:

Article 1: The citrus fruit exported to China must come from the areas in Arizona free of Mexican fruit fly (*Anastrepha ludens*). The groves, packing houses, and storage facilities which export to China must be registered with the Animal and Plant Health Inspection Service (APHIS), and designated by both SAIQ and APHIS.

Article 2: APHIS will direct that effective actions shall be taken to control those pests of concern to China in order to avoid pest occurrences. APHIS will provide SAIQ with information on pest management practices according to SAIQ requests.

Article 3: The monitoring for *Anastrepha ludens* with McPhail traps in the designated groves will be consistent with the National trapping guidelines. Upon SAIQ request, APHIS will provide SAIQ with monitoring reports for *Anastrepha ludens* annually.

Article 4: During the first two years of the program (i.e., the 1999-2000 and 2000-2001 export seasons) if any outbreak of *Anastrepha ludens* is detected, APHIS will immediately notify SAIQ and establish regulated quarantine areas based on U.S. National Program Guidelines. APHIS shall also suspend the export of citrus fruit from an area with a radius of 17 miles (27.2 kilometers) from the center of the pest outbreak. This restriction shall be maintained until eradication is certified under the terms and conditions of the U.S. National Program Guidelines. During this two year period, scientists from the United States and China will jointly study the appropriate size of the quarantine zone. If the scientists can come to agreement on a new standard, then that standard shall apply from the beginning of the third year. If an agreement cannot be reached, the following standard will apply from the beginning of the third year:

If any outbreak of *Anastrepha ludens* is detected, APHIS will immediately notify SAIQ and establish regulated quarantine areas based on U.S. National Program Guidelines. That quarantine shall be maintained until eradication is certified under the terms and conditions of the U.S. National Program Guidelines. During the period that the quarantine is in effect, APHIS shall suspend the export of citrus fruit to China from an area with a radius of 4.5 miles (7.2 kilometers) from the center of the pest outbreak.

If any other fruit fly of quarantine concern to China is detected, APHIS will immediately notify SAIQ and establish regulated quarantine areas based on U.S. National Program Guidelines. That quarantine shall be maintained until eradication is certified under the terms and conditions of the

U.S. National Program Guidelines.

APHIS will immediately notify SAIQ when each quarantine ban is lifted.

Article 5: The citrus fruit exported to China shall be inspected by APHIS authorized personnel and found free of live insects and mites of quarantine concern, as listed in Article 13, and essentially free of leaves, twigs and soil. Inspectors will ensure that the citrus fruit certified for export is essentially free of rotting citrus fruit.

Article 6: The packing and storage of citrus fruit for export to China shall be subject to strict quarantine inspection by APHIS. In a storage facility, this packed citrus fruit shall be stored separately from packed citrus from non-designated groves.

Article 7: Each carton or pallet shall have markings to indicate place of production (county), grower or grove, shipper/packer, or storage facility. If the port branch of SAIQ cannot identify either the grower or grove, or shipper/packer, or storage facility on the cartons or pallets, the citrus fruit in the cartons or pallets will be rejected.

Article 8: Exported citrus fruit shall be transported under closed conveyance. APHIS shall perform a strict inspection of export shipments and ensure that exported citrus fruit is free of quarantine pests of concern to China. After passing inspection, a phytosanitary certificate shall be issued by APHIS. The phytosanitary certificate will be sent to the port branch of SAIQ before the shipment arrives in China.

Article 9: The citrus shall not transit any area that is under quarantine for *Ceratitidis capitata* unless it is in a sealed container.

Article 10: The port branch of SAIQ will conduct quarantine inspection and examine relevant certificates and markings as the citrus fruit arrives at the designated ports. If citrus fruit from unapproved growers or groves, shippers/packers, or storage facilities is found, the shipment will not be allowed entry.

If *Anastrepha ludens* is found on arrival, SAIQ will immediately notify APHIS about suspending the importation of citrus fruit from that grower or grove, shipper/packer, and storage facility and the citrus fruit will be returned, re-exported or destroyed. If any other living pest or disease of quarantine concern to China, as listed in Article 13, is found, the citrus fruit will be treated and SAIQ will request that APHIS take relevant measures. If the same pest or disease is found again on arrival, the relevant grove will be suspended from the export program until the relevant cause is identified and appropriate measures are taken. If other pests of quarantine concern to China are found, the citrus fruit will be treated in accordance with the relevant articles of the Law of the People's Republic of China on the Entry and Exit Animal and Plant Quarantine.

Article 11: Upon SAIQ request, APHIS will send SAIQ relevant information on the groves, shippers/packers, and storage facilities annually for SAIQ review. The groves, pest management, trapping procedures, shippers/packers, and storage facilities will be reviewed and approved by SAIQ in cooperation with APHIS at an on-site visit prior to program initiation.

If major quarantine problems are detected during the importation of citrus fruit into China, APHIS and SAIQ will consult about SAIQ conducting a review of the particular quarantine problem in the United States.

During the first two years of the agreement (i.e., the 1999-2000 and 2000-2001 export seasons) SAIQ will send two quarantine inspectors to the United States for a total of 15 days each year to conduct pre-inspections in Arizona, California, Florida and Texas.

Travel expenses (i.e., transportation, lodging, and a per diem allowance) for all of the trips described above in Article 11 will be funded by the United States.

If SAIQ determines that pre-inspection trips are still necessary after the first two years of the agreement, China will cover all travel expenses for those trips. APHIS will facilitate the trips and provide invitation letters.

Article 12: Ports of entry: Haikou, Guangzhou, Shanghai, Dalian, Qingdao, Nanjing and Tianjin.

Article 13: The pests and diseases of quarantine concern to China are:

Anastrepha ludens (Loew)

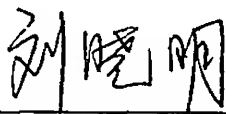
Frankliniella occidentalis (Pergande)

Pantomorus cervinus (Boheman)

Pseudococcus maritimus (Ehrhorn)

Article 14: This agreement is valid for one year from the date of signature. If neither party requests revision or termination of the agreement within two months before its expiration date, the agreement shall be extended automatically for additional 12 month periods.

This document, written in both English and Chinese, was signed on April 7, 1999 in Washington, D.C. Both the English and Chinese documents have equal force.



for the State Administration for
Entry-Exit Quarantine and Inspection
for the People's Republic of China



Under Secretary for Marketing
and Regulatory Programs,
U.S. Department of Agriculture

Work Plan For Exports of Citrus
from the State of Arizona, United States of America
to the People's Republic of China

I. Definitions

- A. Products for Export: Fresh citrus fruit produced in the State of Arizona
- B. Pests and Diseases of Quarantine Concern: According to the People's Republic of China (China), the following plant pests are of quarantine significance on citrus fruit produced in Arizona: *Anastrepha ludens*, *Frankliniella occidentalis*, *Pantomorus cervinus*, *Pseudococcus maritimus*.
- C. Participants
 - 1. The U.S. Department of Agriculture, Animal and Plant Health Inspection Service (APHIS)
 - 2. State Administration for Entry - Exit Inspection and Quarantine (SAIQ) of the People's Republic of China
 - 3. Port Branches of SAIQ
 - 4. Arizona Department of Agriculture
 - 5. Shippers and related associations

II. Responsibilities

A. SAIQ

- 1. To inspect a representative sampling of participating groves, shippers/packers, and storage facilities in the United States prior to initiation of this program.
- 2. To assess and agree with the management and supervision of the program provided by APHIS.
- 3. To assess APHIS' or designated cooperator's ability to ensure that the inspections are appropriately conducted and the labeling requirements are met.
- 4. To notify APHIS immediately upon detection of serious quarantine problems.

B. APHIS

- 1. To maintain the work plan for citrus fruit produced in Arizona in cooperation with SAIQ and other participants, and ensure that the procedures and programs are implemented.
- 2. To notify SAIQ immediately when there is any positive establishment of exotic fruit flies.
- 3. To ensure that citrus fruit destined for China is not mixed with other fruit and the cartons are properly labeled.
- 4. During the first year, to inspect 1% of the citrus fruit being certified for export to

China. In subsequent years, the inspection level may be reduced to as low as 0.5%, if the first year's inspection results justify the reduction. Every effort shall be made to select citrus fruit from a representative sample of each of the participating growers.

5. To issue phytosanitary certificates for all shipments to China: in the remarks section, include the additional declaration: "All fruit in the shipment complies with relevant regulations of the PRC and complies with the Arizona Citrus Protocol."
6. To assign a program coordinator who will be responsible for all coordination between APHIS, SAIQ, industry, the Arizona Department of Agriculture, packing house operators, transportation providers, etc. This person will be available to SAIQ officials to assist in resolving problems related to the export of citrus fruit.
7. APHIS will direct that effective actions shall be taken to control those pests of concern to China in order to avoid pest occurrences. APHIS will provide SAIQ with information on pest management practices according to SAIQ requests.

C. State Officials and Other APHIS Authorized Personnel

1. To work closely with the APHIS program coordinator.
2. To comply with requirements set forth in this work plan.
3. To verify that shippers/packers and storage facilities maintain a list of their growers and are able to supply information on a grower's name and grove location.
4. The groves, packing houses, and storage facilities which export to China must be registered with APHIS, and designated by both SAIQ and APHIS
5. To inspect citrus fruit for any evidence of pest presence or damage, and remove any suspect citrus fruit or culls from the shipment.

III. Regulatory Activity

- A. The monitoring for *Anastrepha ludens* (Mexican fruit fly) with McPhail traps in designated groves shall be consistent with the National trapping guidelines. Upon SAIQ request, APHIS will provide SAIQ with monitoring reports for *Anastrepha ludens* annually.

Arizona will not trap in lemon groves for any species of *Anastrepha* spp fruit flies unless China provides evidence that lemons are a host for *Anastrepha* spp fruit flies.

- B. During the first two years of the program (i.e., the 1999-2000 and 2000-2001 export seasons) if any outbreak of *Anastrepha ludens* is detected, APHIS will immediately notify SAIQ and establish regulated quarantine areas based on U.S. National Program Guidelines. APHIS shall also suspend the export of citrus fruit from an area with a radius of 17 miles (27.2 kilometers) from the center of the pest outbreak. This restriction shall be maintained until eradication is certified under the terms and conditions of the U.S. National Program Guidelines. During this two year period,

scientists from the United States and China will jointly study the appropriate size of the quarantine zone. If the scientists can come to agreement on a new standard, then that standard shall apply from the beginning of the third year. If an agreement cannot be reached, the following standard will apply from the beginning of the third year.

If any outbreak of *Anastrepha ludens* is detected, APHIS will immediately notify SAIQ and establish regulated quarantine areas based on U.S. National Program Guidelines. That quarantine shall be maintained until eradication is certified under the terms and conditions of the U.S. National Program Guidelines. During the period that the quarantine is in effect, APHIS shall suspend the export of citrus fruit from the area with a radius of 4.5 miles (7.2 kilometers) from the center of the pest outbreak.

- C. If any other fruit fly of quarantine concern to China is detected, APHIS will immediately notify SAIQ and establish regulated quarantine areas based on U.S. National Program Guidelines. That quarantine shall be maintained until eradication is certified under the terms and conditions of the U.S. National Program Guidelines.

IV. Shipping Requirements

- A. Export inspection at the shipper/packer or storage facility will include the inspection for plant pests or diseases, and include measures taken to prevent re-infestation by pests or diseases exotic to China.
1. Inspection of the citrus fruit shall be conducted and completed at the shipper/packer or storage facility before loading of any cartons into the transportation vehicles.
 2. The packing and storage of citrus fruit for export to China shall be subject to strict quarantine inspection by APHIS. In a storage facility, this packed citrus fruit shall be stored separately from packed citrus fruit from non-designated groves.
 3. Each carton or pallet shall have markings to indicate place of production (county), grower or grove, or shipper/packer, or storage facility. If SAIQ cannot identify either the grower or grove, or shipper/packer, storage facility on the cartons or pallets, the citrus fruit in the cartons or pallets will be rejected.
 4. Exported citrus fruit shall be transported in closed conveyance. APHIS shall perform a strict inspection of export shipments and ensure that exported citrus fruit is free of quarantine pests of concern to China. After passing inspection, a phytosanitary certificate shall be issued by APHIS. The phytosanitary certificate will be sent to the port branch of SAIQ before the shipment arrives in China.
 5. The citrus fruit shall not transit any area that is under quarantine for *Ceratitidis capitata* unless it is in a sealed container.

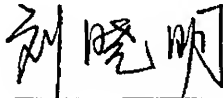
V. Port of Entry Inspection

- A. Upon arrival at the port, in accordance with the relevant articles of the Law of the People's Republic of China on the Entry and Exit Animal and Plant Quarantine and other relevant regulations, the port branch of SAIQ will conduct a quarantine inspection and examine relevant certificates and markings. If citrus fruit from unapproved growers or groves, shippers/packers, or storage facilities is found, the shipment will not be allowed entry.
- B. If *Anastrepha ludens* is found on arrival, SAIQ will immediately notify APHIS about suspending the importation of citrus fruit from that grower or grove, shipper/packer, or storage facility, and the citrus fruit will be returned, re-exported or destroyed.
- C. If any other living pest or disease of quarantine concern to China, as listed in Article 13 of the Arizona Citrus Protocol, is found, the citrus fruit will be treated and SAIQ will request that APHIS take relevant measures. If the same pest or disease is found again on arrival, the relevant groves will be suspended from the export program until the relevant cause is identified and appropriate measures are taken.
- D. If other pests of quarantine concern to China are found, the fruit will be treated in accordance with relevant articles of the Law of the People's Republic of China on the Entry and Exit Animal and Plant Quarantine.

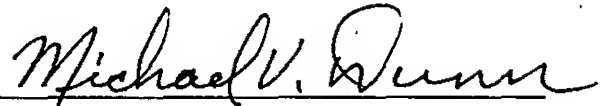
VI. Program Initiation

- A. Upon SAIQ request, APHIS will send SAIQ relevant information on the groves, shippers/packers, and storage facilities annually for SAIQ review. The groves, pest management, trapping procedures, shippers/packers, and storage facilities will be reviewed and approved by SAIQ in cooperation with APHIS at an on-site visit prior to program initiation.
- B. During the first two years of the agreement (i.e., the 1999-2000 and 2000-2001 export seasons) SAIQ will send two quarantine inspectors to the United States for a total of 15 days of each year to conduct pre-inspections in Arizona, California, Florida, and Texas.
- C. If SAIQ determines that pre-inspection trips are still necessary after the first two years of the agreement, China will cover all travel expenses for those trips. APHIS will facilitate the trips and provide invitation letters.

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Under Secretary for Marketing
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